

COMMODORE INTERNATIONAL
COMMENTS ON TRADING
DELAY IN ITS COMMON STOCK

New York, New York, March 3, 1981--

Mr. Irving Gould, Chairman of the Board of Commodore International Limited, made the following statement today in regard to the delay in the opening of trading in its common stock.

"The delay in opening Commodore International common stock on the American Stock Exchange, according to what has been told to me, relates to a recently published article in Barron's and a summary of part of that story which was on the Dow Jones news wire on Monday, March 2nd.

"In regard to this story, I would like to say that there are numerous misstatements of fact concerning members of Commodore's management, Commodore's past history and its current business prospects."

Mr. Jack Tramiel, Commodore's Vice Chairman, made the following statement: "I would first like to say that Barron's never once attempted to contact me although much of their article related to me during a period approximately 20 years ago.

"I am extremely disturbed by the article which, in seeking to recount the history of the company, continuously strayed from the truth. Several examples will serve to illustrate this.

"First, I never benefitted to the extent of one penny from the demise, over 15 years ago, of Atlantic Acceptance Corp. in 1965. In fact, Commodore actually lost approximately \$400,000 in monies it had on deposit with Atlantic Acceptance.

"The second point to which I would like to address myself is the statement made by Barron's that (after noting that the head of Atlantic Acceptance, Powell Morgan, died of leukemia) 'this was exceedingly convenient for his associates, Tramiel included, whose own testimony in the affair--offered under grants of immunity--was replete with assertions that it was Morgan's idea, and I did as Morgan told.'

"This is an outright lie; I never asked for nor was given immunity. I was thoroughly investigated, was never charged with any wrongdoing and did not receive immunity.

"What is terribly distressing is that the Barron's article, by erroneously saying that I was given immunity from prosecution, clearly left a different impression."

In concluding, Mr. Tramiel noted that "there are numerous other examples of factual error that appeared in the Barron's article."

In commenting upon Commodore's current business outlook, Mr. Gould noted that "although Barron's quotes an industry source as saying that the Japanese could enjoy 20%-40% of the market for microprocessor-based computer systems, elsewhere it quotes analysts as saying the market is expected to grow 30%-40% a year for the foreseeable future. If the market today is \$1 billion at

an annualized rate, then with a 40% growth rate it would be at \$5.4 billion in five years. If one concedes the Japanese 40% of this market, it still leaves over \$3 billion for U.S. companies, or an amount three times greater than we have today. In any event, I don't think the Japanese are going to get anywhere near 40% of this market in the U.S."

Mr. Gould went on to note that "Commodore's current business and future outlook have never been better. Our common stock is scheduled to begin trading on the New York Stock Exchange this Friday, March 6th. For the current year which ends in less than four months, our sales should rise to at least \$185 million from \$125.6 million in fiscal 1980, our net income should increase at least 50% to over \$25 million, up from \$16.2 million in fiscal 1980, and earnings per share should rise to more than \$2.40, over 50% above the \$1.56 per share reported in fiscal 1980.

"Our outlook for fiscal 1982 which begins on July 1st is equally good with further significant gains expected for sales, net income and earnings per share."

Mr. Gould concluded by noting that "Commodore is the only one of the three major microcomputer manufacturers to have its own extensive semiconductor manufacturing facilities, and this affords us certain distinct manufacturing and cost advantages over

our competition. As a result, our PET computer is today the lowest priced system of its type available among all major manufacturers.

"In addition, within the past 60 days, we began selling our new VIC-20 computer with a retail price of \$299, the lowest priced computer of this type ever offered for sale. Equally important, it is being manufactured by us in Japan and our entire production for the months of January, February, March and April is already sold out, most of which is being sold in Japan. Maybe the Japanese should be worrying about the U.S. since we have now proven we can manufacture an American product in Japan and sell it to the Japanese."

(Richard Sanford, Executive Vice President, Commodore International Limited, (215) 666-7950)

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